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November 24, 1992

18012  
FILED 11/24/92

NOV 24 1992 3 05 PM

#16

New No.

Mr. Sidney L. Strickland, Jr. INTERSTATE COMMERCE COMMISSION  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged copies of a Rolling Stock Security Agreement dated as of November 16, 1992, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Debtor: Old Ben Coal Company  
c/o Zeigler Coal Holding Company  
50 Jerome Lane  
Fairview Heights, Illinois 62208

Collateral Agent: State Street Bank and Trust  
Company of Connecticut, National Association  
750 Main Street  
Hartford, Connecticut 06103

A description of the railroad equipment covered by the enclosed document is:

Seventy-seven (77) open top gondola cars bearing reporting marks and road numbers ZCCX 101 through ZCCX 177, both inclusive.

*Handwritten signatures and initials:*  
- A large signature on the left margin.  
- A signature "C. O'Connell" on the left margin.  
- A signature "J. L. Strickland" on the left margin.

Mr. Sidney L. Strickland, Jr.  
November 24, 1992  
Page Two

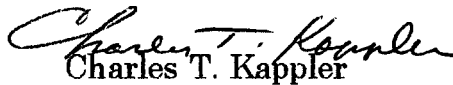
Also enclosed is a check in the amount of \$16.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Rolling Stock Security Agreement dated as of November 16, 1992 between Old Ben Coal Company, Debtor and State Street Bank and Trust Company of Connecticut, National Association covering 77 open top gondola cars.

Very truly yours,

  
Charles T. Kappler

CTK/bg  
Enclosures

Interstate Commerce Commission  
Washington, D.C. 20423

11/24/92

OFFICE OF THE SECRETARY

Charles T. Kappler

Alvord & Alvord

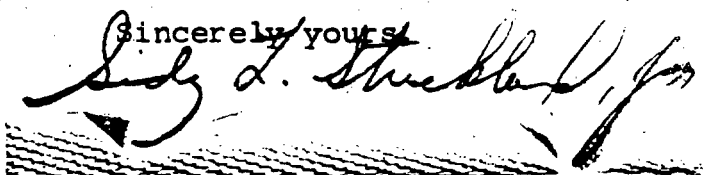
918 16th St. N.W.

Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/24/92 at 3:05pm, and assigned re-recording number(s). 18012

Sincerely yours,



Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

NOV 24 1992 3 05 PM

## ROLLING STOCK SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS ROLLING STOCK SECURITY AGREEMENT (this "Rolling Stock Security Agreement"), dated as of November 16, 1992, between OLD BEN COAL COMPANY, a Delaware corporation and the successor by merger to Zeigler Coal Company, an Illinois corporation (the "Debtor"), and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, as collateral agent (the "Collateral Agent") for each of the Secured Creditors referred to below under the Collateral Agency Agreement referred to below.

## W I T N E S S E T H:

WHEREAS, the Debtor is a subsidiary of Zeigler Coal Holding Company, a Delaware corporation (the "Company");

WHEREAS, the Company is party to that certain Credit Agreement, dated as of November 16, 1992 (the "Credit Agreement"), among the Company, the Subsidiary Borrowers, the lenders from time to time parties thereto (the "Lenders"), The First National Bank of Chicago, as LC Issuer, Arranger and Administrative Agent, and Barclays Bank PLC, as Arranger;

WHEREAS, the Company is party to certain Note Purchase Agreements, dated as of November 16, 1992 (the "Note Purchase Agreements"), between the Company and certain institutional investors pursuant to which such institutional investors (such institutional investors and other holders of the Purchaser Notes from time to time, the "Purchasers") will purchase \$400,000,000 aggregate principal amount of 8.61% Senior Secured Notes due 2002 (the "Purchaser Notes") of the Company;

WHEREAS, the Company is party to that certain Collateral Agency and Intercreditor Agreement, dated as of November 16, 1992 (the "Collateral Agency Agreement"), with the Lenders, the Purchasers, the Arrangers, the Administrative Agent, the LC Issuer and the Collateral Agent;

WHEREAS, the Debtor has executed and delivered its Subsidiary Guaranty dated as of November 16, 1992 (the "Debtor Guaranty"), in favor of the Lenders, the Purchasers, the Arrangers, the Administrative Agent, the LC Issuer and the Collateral Agent;

WHEREAS, the Debtor is party to that certain Pledge and Security Agreement, dated as of November 16, 1992 (the "Security Agreement") between the Debtor and the Collateral Agent, pursuant to which the Debtor grants to the Collateral Agent, for the benefit of the Secured Creditors a security interest in the Collateral (as that term is defined in the Security Agreement);

WHEREAS, this Rolling Stock Security Agreement is a Secured Creditor Document to which the Debtor is a party and is not a Mortgage and, accordingly, Section 1 of the Security Agreement applies hereto;

WHEREAS, it is a further condition precedent to the initial Credit Extension under the Credit Agreement and to the purchase of the Purchaser Notes under the Note Purchase Agreements that the Company agree to cause the Debtor to execute and deliver this Rolling Stock Security Agreement to the Collateral Agent as security for the Secured Obligations; and

WHEREAS, the use made by the Credit Parties of Credit Extensions (each as defined in the Credit Agreement) made by the Lenders to the Credit Parties from time to time pursuant to the terms and conditions of the Credit Agreement is and will be of substantial direct and indirect benefit to the Debtor;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Rolling Stock Security Agreement, including its preamble and recitals, have the meanings ascribed to such terms in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, the Debtor does hereby mortgage, pledge and hypothecate to the Collateral Agent, and grant to the Collateral Agent a security interest in, for its benefit and the benefit of the Secured Creditors, the railroad cars or locomotives described in Schedule I hereto (hereinafter referred to as the "Equipment"), together with all accessories, equipment parts and appurtenances appertaining or attached to any of such Equipment, and all substitutions, renewals and replacements of, and additions, improvements, accessories and accumulations to, any and all of such Equipment, and all proceeds of any of the foregoing (all of the foregoing property being hereinafter referred to as the "Rail Collateral").

SECTION 3. Representations, Warranties and Covenants. The Debtor hereby represents, warrants and covenants to the Collateral Agent and the Secured Creditors that:

(a) The Debtor shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Debtor shall, at its own cost and expense, maintain and keep the

Equipment in good order, condition and repair, ordinary wear and tear excepted. Except as required or permitted by the provisions of Section 3(b) hereof, the Debtor shall not modify any Equipment without the prior written authority and approval of the Collateral Agent.

(b) Without limiting the foregoing subsection (a), the Debtor agrees to comply, in all material respects, with all insurance policies covering the Equipment and all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation and the Interstate Commerce Commission) as the same may be in effect from time to time with respect to the use, maintenance and operation of the Equipment. In case any equipment or appliance is reasonably interpreted as being required to be installed on any Equipment in order to comply with such laws, regulations, requirements and rules, the Debtor agrees to make such changes, additions and replacements at its own expense; provided, however, that the Debtor may, in good faith and by appropriate legal proceedings, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of the Collateral Agent adversely affect the security interest of the Collateral Agent hereunder.

(c) The Debtor shall plainly and permanently stencil a legend on each side of each unit of Equipment in letters not less than one (1) inch in height indicating the Collateral Agent's interest therein, as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION".

(d) The Collateral Agent shall have at all reasonable times the right to enter into and upon any premises under the control of the Debtor where any of the Equipment is located for the purposes of inspecting the same, observing its use or otherwise protecting Collateral Agent's interest therein.

(e) The Debtor will keep at its address shown below its signature hereto all records concerning the Rail Collateral or such other address permitted under the Security Agreement, which records will be of such character as will enable the Collateral Agent or its designees to determine at any time the status thereof.

**SECTION 4. Security Agreement.** This Rolling Stock Security Agreement has been executed and delivered by the Debtor for the purpose of registering the security interest of the Collateral

Agent in the Rail Collateral with the Interstate Commerce Commission and to set forth the terms upon which the security interest in the Rail Collateral is granted. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent for its benefit and the benefit of the Secured Creditors under the Security Agreement. The Security Agreement (and all rights and remedies of the Collateral Agent and the Secured Creditors thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 5. Release of Security Interest. Upon final indefeasible payment in full of all Secured Obligations and termination of all commitments of the Secured Creditors which would give rise to Secured Obligations (other than potential indemnification or other similar obligations which survive the payment of all other Secured Obligations), the Collateral Agent shall, at the Debtor's expense, execute and deliver to the Debtor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Rail Collateral which has been granted hereunder.

SECTION 6. Acknowledgement. The Debtor does hereby further acknowledge and affirm that the Collateral Agent shall have all of the rights, benefits and remedies with respect to the security interest in the Rail Collateral granted hereby as it does with respect to the collateral under the Security Agreement, and all of such rights, benefits and remedies shall be available to the Collateral Agent as though set forth herein in full.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Rolling Stock Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

OLD BEN COAL COMPANY

By: George J. Holway  
Title: VICE PRESIDENT  
Address:  
c/o Zeigler Coal Holding Company  
50 Jerome Lane  
Fairview Heights, Illinois 62208  
Attention: Chand R. Vyas  
Fax No.: (618) 394-2411

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Collateral Agent

By: Mason M. Lemont  
Title: Mason M. Lemont,  
Vice President  
Address: 750 Main Street  
Hartford, Connecticut 06103  
Attention: Corporate Trust Department  
Fax No.: (203) 244-1899



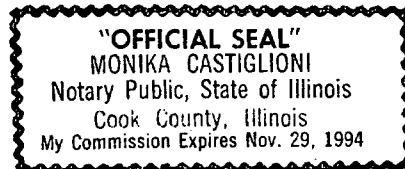
STATE OF ILLINOIS           )  
                                      ) SS  
COUNTY OF COOK            )

On this 19<sup>th</sup> day of November, 1992, before me personally appeared George J. Holway, to me personally known, who being by me duly sworn, said that he/she is a Vice President of OLD BEN COAL COMPANY, a Delaware corporation, and that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Monika Castiglioni  
Notary Public

[NOTARIAL SEAL]

My commission expires: 11/29/94



STATE OF ILLINOIS           )  
                                      ) SS  
COUNTY OF COOK            )

On this 19<sup>th</sup> day of November, 1992, before me personally appeared Mason M. Lemont, to me personally known, who being by me duly sworn, said that he/she is a Vice President of STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, and that said instrument was signed on such date on behalf of said association by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



Sharon Klockowski  
Notary Public

[NOTARIAL SEAL]

My commission expires: 1-29-94

## SCHEDULE I

### Description of Equipment

The property covered hereby includes rolling stock consisting of seventy-seven (77) open top gondola cars ZCCX 101 through 177, both inclusive, and all hereafter acquired rolling stock.